



TOGETHER
for a sustainable future

OCCASION

This publication has been made available to the public on the occasion of the 50th anniversary of the United Nations Industrial Development Organisation.



TOGETHER
for a sustainable future

DISCLAIMER

This document has been produced without formal United Nations editing. The designations employed and the presentation of the material in this document do not imply the expression of any opinion whatsoever on the part of the Secretariat of the United Nations Industrial Development Organization (UNIDO) concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries, or its economic system or degree of development. Designations such as “developed”, “industrialized” and “developing” are intended for statistical convenience and do not necessarily express a judgment about the stage reached by a particular country or area in the development process. Mention of firm names or commercial products does not constitute an endorsement by UNIDO.

FAIR USE POLICY

Any part of this publication may be quoted and referenced for educational and research purposes without additional permission from UNIDO. However, those who make use of quoting and referencing this publication are requested to follow the Fair Use Policy of giving due credit to UNIDO.

CONTACT

Please contact publications@unido.org for further information concerning UNIDO publications.

For more information about UNIDO, please visit us at www.unido.org

We regret that some of the pages in the microfiche copy of this report may not be up to the proper legibility standards, even though the best possible copy was used for preparing the master fiche.

UNITED NATIONS
ECONOMIC
AND
SOCIAL COUNCIL



J04736

Distr.
GENERAL L.2
E/CN.14/AS/52
28 January 1966
ORIGINAL: ENGLISH

ECONOMIC COMMISSION FOR AFRICA AND
CENTRE FOR INDUSTRIAL DEVELOPMENT
Symposium on Industrial Development in Africa
Cairo,,27 January - 10 February 1966

STATEMENT BY THE UNITED NATIONS
COMMISSIONER FOR INDUSTRIAL DEVELOPMENT
DR. I.H. ABDEL-RAHMAN
AT THE OPENING OF THE
AFRICAN INDUSTRIAL SYMPOSIUM, CAIRO, 27 JANUARY 1966

May I first welcome all the participants in this important conference on behalf of the Secretary General of the United Nations, and also specifically on behalf of the Centre for Industrial Development of the United Nations. My welcome also extends, of course, to the experts and participants from non-African countries and the UN Specialized Agencies and other organizations here represented. The United Nations is most grateful to the Government of the UAR for acting as host to this meeting and for the excellent arrangements for this conference which they have made. I hope, Sir, you will convey to the President of the Republic our gratitude for the opening words which you have spoken on his behalf. Finally, may I also thank our colleagues from ECA, and specially the Executive Secretary - Mr. Robert Gardiner - for the tremendous job they have done in preparing and documenting this conference. I believe you will all agree that the documentation which ECA has prepared for us here is of great value and significance, even beyond the immediate purposes of this symposium.

Our conference here is the second of four meetings which are being held in the four under-developed regions of the world. Moreover, all these four regional meetings, of which ours here is a

in their turn are preparatory in nature, insofar as they are designed to lead up to and prepare the ground for an international symposium to be held next year in 1967. I emphasize this because when these four regional meetings are completed, African countries will have the opportunity of comparing their problems and decisions as they emerge from this conference, with the problems and decisions of neighbours in Latin America, Asia and the Middle East. Our problems here are of course not identical; but I believe we all agree that we may gain greater insight into our own problems by comparing them with the experience and approach of other regions. For example; the **problem of regional and sub-regional co-operation is important in Africa.** In this respect, there is useful experience in Latin America, both from the Latin American Free trade association and also from the Central American integration programme. This is indeed shown by the fact that one of the documents before us specifically describes this experience to us. None of us would refuse to learn from these experiences where we can. It will be our task in the Centre for Industrial Development in the UN in New York to sift and compare the results and the trends of discussion at your meeting here with those of the other regional meetings in order to derive from them the best possible preparation for the international symposium next year. In this connection, I am particularly glad to welcome among us here also invited experts from the industrially advanced countries which will, we hope, play a leading part at the international symposium. I am happy that they have this chance to ascertain themselves at first hand, and at an early preparatory stage, the ideas brought forth at this meeting. On our side, we must remain conscious that many of the recommendations which may be made here will depend for their implementation on full co-operation with the advanced countries, and with the financing institutions of which they are the major contributors.

H.E., The Honourable Tom Mboya, has just mentioned the new UN Organisation for Industrial Development which the General Assembly of the United Nations decided to establish less than a month ago, and I am glad to give you a few details. The new organization

will be an autonomous organization within the framework of the United Nations. Thus, it will have the same status as, e.g. the UN Development Programme formed by the merger of the former Special Fund and EPTA, and like UNCTAD, the new trade organization which we may recall received an important impetus here in Cairo from the declaration of the developing countries. The fact that the new industrial organization will be in the framework of the United Nations means that its administrative expenses and its research expenses will be met from the general budget of the United Nations. Its operational activities however, will be met by special voluntary contributions from member countries. I am glad to report to you that there has already been an immediate generous response to the idea of special voluntary contributions for the purpose of furthering industrialization. I recognize with special gratitude generous contributions made by the United States, the United Kingdom, the Federal Republic of Germany, Sweden, the Netherlands and others which have announced their willingness to contribute. These voluntary contributions already amounting to more than US\$ 5 million are now available as additional contributions within the framework of the UN Development Programme, earmarked for special additional industrial services. I shall refer later in a little more detail to these additional services. The Resolution of the General Assembly set up a special preparatory committee which will meet in March 1966 to draft the rules and modes of procedure of the new organization. In advance of the meetings of this committee, I am not, of course, in a position to give you much detailed organizational information. The purpose of the new organization and of the additional funds which will become available to it, is to arrange for more effective and more integrated activities of the United Nations aimed at the more rapid and more efficient industrialization of the developing countries, African countries among them. I am sure that the detailed procedures of the new organization will be oriented towards the fulfilment of this purpose.

One of the main features of the new orientation given to the industrialization work of the United Nations will be a fresh approach to the inter-relation between pre-investment and the actual investment or financing process of industry. Hitherto, the approach of the United Nations has been based on the principle of a distinct time sequence between the process of pre-investment on the one hand (consisting of economic and technical feasibility studies) and the subsequent process of finding the finance for the actual investment on the other hand. This picture is reasonable and appropriate when you deal with infra-structure such as transport or power projects, or with agriculture. However, experience has increasingly shown that this approach is inappropriate in the field of industry. We all know how much time and money can be wasted, how much frustration can be experienced, by undertaking extensive and expensive feasibility studies and engineering studies, only to find that all this effort has come to nothing because the financing sources were not interested; or only to find that the financing sources insisted on making their own feasibility studies all over again, before being willing to consider a financial commitment or even interest. The special industrial services now to be undertaken by the Centre for Industrial Development, and later by the new organization, will be based on the different principle of trying to attract and interest the prospective investor at the earliest possible stage. We want to obtain an early financial expression of interest, a preliminary decision to help with the financing if engineering studies of specified types show favourable opportunities. In this way, we hope to bridge the action gap which now exists between the pre-investment work and actual financing. I think you will agree that this action gap has been a tremendous hurdle in African industrialization, and that African countries have much to gain if the efforts to overcome this hurdle could be successful.

For this reason, the Centre at present and new organization in future, attach great importance to close relations at all stages of our work with financial agencies such as the

International Bank family, specially the IFC, with the regional development banks such as the African Development Bank in Abidjan, the Inter-American Development Bank in Washington and the new Asian Development Bank in Manila, the European Investment Bank in Brussels and the financing institutions in the main industrial countries. I believe that in developing such relations, and helping to direct these mighty financial resources more, and more effectively, into the industrialization of developing countries we can make a vital contribution, and ideally complement the work done in the regions, and done so effectively here in Africa in collaboration with the ECA.

Although it is too early for me to tell you much organizational detail about the new organization which still has to be decided, I can tell you something now about the substantive contents of our work and about the spirit in which we approach our task. Our main principle is to promote the most rapid and efficient industrialization. Please note the word "efficient". An inefficient high-cost plant, as we all know, can be a liability rather than an asset. For this reason, industrialization to us is much more than the establishment of new factories. It includes also the efficiency of operation of both new and old factories. It includes also the full utilization of existing capacities. It includes the development of integrated industrial systems taking maximum advantage of backward and forward linkages within industry. It includes the orientation of industries towards a maximum contribution to agricultural productivity. Above all, however, we believe that industrialization, to be really effective, lasting and self-sustaining must be securely based in the institutions, policies and capacities of the developing countries. The secret of progressive industrialization in the technically advanced countries lies in the way in which new industries arise, almost automatically and almost effortlessly, out of the natural development of the human and technological resources of these countries. It arises out of their institutions, their policies and their administration geared to the promotion and implementation

of new industrial developments. It is a constant process of improvement and new creation. We in the UN Centre of Industrial Development believe that our objective must be more far-reaching and more fundamental than to think in terms of specific new projects only. We must try to create the same foundations, the same pools of training and technology, the policies and institutions from which industrialization arises, and which make industrialization effective and cumulative.

In this context, I believe that the regional and sub-regional economic co-operation, so essential in Africa and so rightly emphasized in the work of ECA, takes its place as one of the most important aspects in this total picture. Regional and sub-regional co-operation is essential if larger units of more efficient scale are to arise, if duplication and waste are to be avoided, if policies are to be harmonized, and if technological and training facilities of a higher order are to be developed. We are thus very happy to see that emphasis has been given to this aspect in the agenda of this conference and in the preparatory documentation. We look forward to the conclusions which you will reach in this respect. At the same time, we will all agree that this is only one aspect of the problems of industrialization, although an important one, and our deliberations here are not limited to this one aspect.

The approach to our task which we have developed in the Centre in New York can perhaps be best described by giving you a broad outline of our organization. The three major Divisions of the Centre deal, respectively, with specific branches of industry (such as fertilizers, textiles, engineering, etc.), with general problems of policies and programming (including financing, small-scale industries and industrial estates), and industrial institutions, research and training. I think it is clear that our broad picture of the need for a secure basis of industrialization is well covered in this organizational structure. I have no reason to believe that the new organization will not

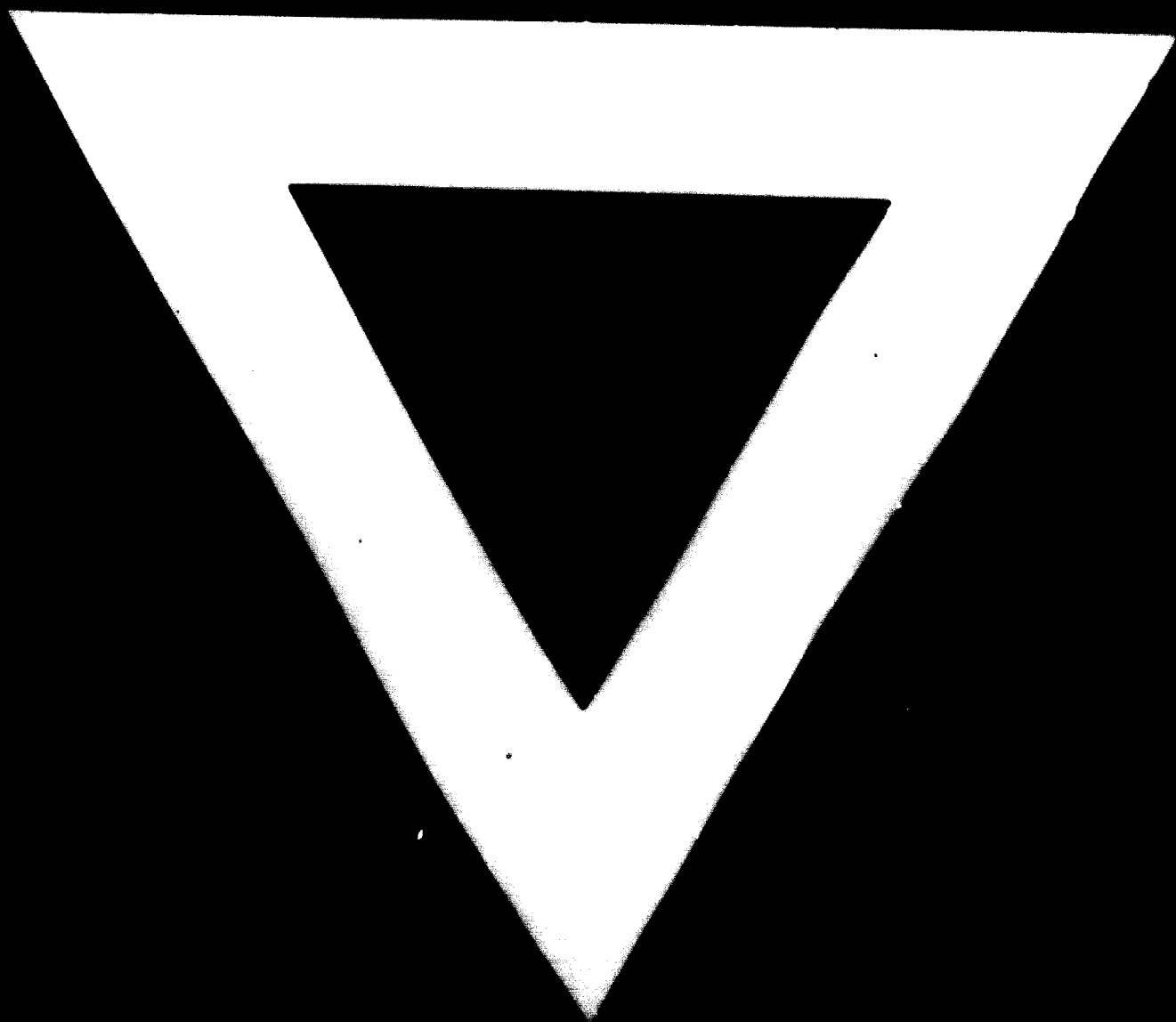
find this structure equally suitable for its widened purposes. Our detailed programme of work in the Centre is also based on this broad approach, and falls within the broad divisions which I have indicated to you.

Although a complete policy of industrialization must embrace all these approaches that I have tried to describe to you, we cannot naturally hope in ten working days to cover all these issues in equal depth. It is for you to select those matters for emphasis which you believe are the most important issues for Africa to bring to the attention of the world community at the international gathering next year. There are the issues which are essentially national, relating to projects, policies, resources, training etc. There are the issues which call for sub-regional or regional co-operation. There are the issues which call for even wider international co-operation, whether bilaterally between countries or multi-laterally through international organizations. All these different types of issues are pertinent to your meeting here, and you will not wish to neglect any of them entirely. Naturally to us in the Centre, it will be particularly important to study your proceedings here for those matters that can be a fruitful basis for international co-operation, and could thus be placed before a world forum next year.

What we hope for from this meeting, then, is an African view which places in proper perspective the measures that are most important in speeding up African industrialization. You can be sure that your recommendations will be very carefully studied in the UN bodies - and I am sure also by industrial countries, financing institutions, and by countries in other developing regions of the world. The results of this meeting will be an important element in determining the nature of the international symposium, its agenda and its action. In the UN, we shall also study them very carefully for any indication they may give us how we can make the United Nations role in promoting sound industrial development more effective and more integrated. I

need hardly say that this latter aspect is of particular value at this moment when the desire for more effective UN action is so widespread and has been manifested by the decision to create a new organization. Last but not least, I hope that this conference will also be of value to the individual participating African countries themselves. Ultimately, we all know that the real effort must be made, and real decisions must be taken, in the individual countries themselves. We certainly have a very good start at our meeting with the comprehensive and excellent documents which have been placed before us. I shall be glad to transmit your recommendations first to the Committee for Industrial Development meeting in April in New York, and later to the International Symposium. In conclusion, I hope you will permit me to express once more on all our behalf our gratitude to the Government of the UAR, and to the encouraging words of welcome given to us by Deputy Prime Minister - Dr. Moustafa Khalil on behalf of President Gamal Abdel Nasser, and to the Chairman of the Economic Commission for Africa, the Minister of Economic Planning and Development of Kenya, the Honourable Tom Mboya. May I wish you a successful and enjoyable meeting.





29.3.74